

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF AVISTA CORPORATION TO APPROVE) **CASE NO. AVU-E-05-3**
AGREEMENT TO RELEASE CUSTOMER)
WITH INLAND POWER & LIGHT) **NOTICE OF APPLICATION**
COMPANY)
) **NOTICE OF MODIFIED**
) **PROCEDURE**
)
) **ORDER NO. 29741**
)

On February 17, 2005, Avista Corporation dba Avista Utilities filed an Application seeking the Commission's approval of a contract between Avista and Inland Power & Light Company (Inland Power) to release a customer. The parties' "Agreement to Release Customer" is dated January 25, 2005. The Agreement was executed pursuant to the provisions of the Electric Supplier Stabilization Act (ESSA) and specifically *Idaho Code* § 61-333(1). The parties request that their Application be processed under Modified Procedure.

THE APPLICATION

YOU ARE HEREBY NOTIFIED that Avista and Inland Power have proposed an agreement whereby Inland Power has agreed to relinquish the right to serve the West Bonner Library Districts' new facility located in Spirit Lake, Idaho. The West Bonner Library District intends to construct a library in Spirit Lake. Avista has existing service lines near the property; however, Inland Power's existing service lines are closer and therefore it had the right to serve the customer. Based upon the physical location of Inland Power's infrastructure, with a building in the way of the service access, its cost to serve the new library would be substantially more than Avista's cost to serve. The Application states that the Agreement is in the best interest of the customer, will avoid duplication of facilities, avoid disputes between parties, and provides the consumer with the best possible service. The Agreement and property description are attached to the Company's Application.

YOU ARE FURTHER NOTIFIED that *Idaho Code* § 61-333(1) provides that electric suppliers may contract for the purpose of "allocating territories, consumers, and future

consumers...and designating which territories and consumers are to be served by which contracting electric supplier.” Under the ESSA, both Avista and Inland Power are defined as electric suppliers. *Idaho Code* § 61-332A(4). After notice and opportunity for hearing, the Commission may approve agreements allocating service territories and customers between electric suppliers only upon finding that the allocation is in conformance with the purposes of the ESSA. *Idaho Code* §§ 61-333(1), 61-334B(1). The purposes of the ESSA are to: discourage duplication of facilities; prohibit the “pirating” of consumers; stabilize service territories and consumers; and promote harmony between electric suppliers. *Idaho Code* § 61-332(2).

YOU ARE FURTHER NOTIFIED that the Application, together with supporting workpapers, testimonies and exhibits, (if any) has been filed with the Commission and is available for public inspection during regular business hours at the Commission offices. The Application and testimonies (excluding exhibits) are also available on the Commission’s Website at www.puc.idaho.gov under the “File Room” icon.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filing of record in Case No. AVE-E-05-3. The Commission has preliminarily determined that the public interest may not require a hearing to consider the issues presented in this case and that issues raised by the Company’s filing may be processed under **Modified Procedure**, i.e., by written submission rather than by hearing. IDAPA 31.01.01.201-204. In so doing, the Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that the Commission may not hold a hearing in this proceeding unless it receives written protests or comments opposing the use of Modified Procedure and stating why Modified Procedure should not be used. IDAPA 31.01.01.203.

YOU ARE FURTHER NOTIFIED that if no protests or written comments are received within the deadline, the Commission will consider the matter and enter its Order without a hearing. If protests or comments are filed within the deadline, the Commission will consider them and may, in its discretion, set the matter for hearing or decide the matter and issue its Order on the basis of the written positions before it. IDAPA 01.01.01.204.

NOTICE OF COMMENT/PROTEST DEADLINE

YOU ARE FURTHER NOTIFIED that **the deadline for filing written comments or protests** with respect to the Application and the Commission's use of Modified Procedure in Case No. AVE-E-05-3 is **21 days from the service date of this Order**. Persons desiring a hearing must specifically request a hearing in their written protests or comments.

YOU ARE FURTHER NOTIFIED that written comments concerning this case should be mailed to the Commission and to the Company at the addresses reflected below.

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Street Address For Express Mail:
472 W. Washington Street
Boise, ID 83702-5983

Bruce Folsom
Manager, Regulatory Compliance
Susan Baldwin
Account Executive, Market Services
Avista Corporation
1411 E. Mission Avenue
Spokane, WA 99220
E-mail: bruce.folsom@avistacorp.com
E-mail: susan.baldwin@avistacorp.com

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's homepage located at www.puc.idaho.gov. Click the "Comments and Questions" icon, and complete the comment form, using the case number as it appears on the front of this document. These comments must also be sent to the Applicant at the addresses listed above.

FINDINGS AND CONCLUSIONS

The Idaho Public Utilities Commission has jurisdiction over Avista, its Application to approve Agreement Releasing Customer, and the issues involved in this case by virtue of Title 61, Idaho Code, specifically *Idaho Code* §§ 61-129, 61-333(1) and 61-334B, and the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

The Commission has preliminarily determined that the public interest may not require a hearing to consider the issues presented in this case, and that issues raised by the Company's filing may be processed under **Modified Procedure**, i.e., by written submission rather than by hearing. IDAPA 31.01.01.201-204. In so doing, the Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

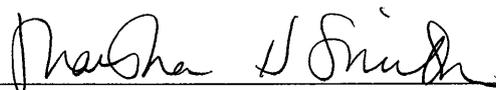
ORDER

IT IS HERBY ORDERED that this case be processed under Modified Procedure. Persons interested in submitting written comments regarding this case or protesting the use of Modified Procedure should do so no later than 21 days from the service date of this Order.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 28th day of March 2005.



PAUL KJELLANDER, PRESIDENT



MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

O:AVUE0503_dw